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MINISTRY OF COMMERCE

NOTIFICATION

New Delhi, the 14th September 1964

S.O. 3317.—In exercise of the powers conferred by section 17 of the Export (Quality Control and Inspection) Act, 1963 (22 of 1963), the Central Government hereby makes the following rules, namely:—

1. Short title and Commencement.—(1) These rules may be called the Export (Quality Control and Inspection) Rules, 1964.

(2) They shall come into force on 1st October, 1964.

2. Definitions.—In these rules, unless the context otherwise requires,—

(a) "Act" means the Export (Quality Control and Inspection) Act, 1963 (22 of 1963);

(b) "agency" means any agency for quality control or inspection or both, established or recognised under section 7;

(c) "Chairman" means the Chairman of the Council;

(d) "Council" means the Export Inspection Council established under section 3;

(e) "Council Member" means a member of the Council;

(f) "Committee Member" means a member of any specialist committee;

(g) "Director" means the Director of Inspection and Quality Control appointed under section 4;

(h) "Form" means a form set forth in these rules;

(i) "Member" means a member of the Council;

(j) "section" means a section of the Act;

(k) "Specialist committee" means a specialist committee constituted by the Council under sub-section (3) of section 5;

3. Term of office.—(1) The Chairman and the members nominated under clause (f) of sub-section (1) of section 3 shall hold office for a period of three years.

(2) The membership of any person who becomes a member of the Council by virtue of an office held by him shall terminate when he ceases to hold that office and the vacancy so caused shall be filled by his successor holding that office.

(3) The Chairman and the members nominated under clause (f) of sub-section (1) of section 3 shall be eligible for re-appointment or re-nomination, as the case may be, on the expiry of his or their term of office.

(4) The Chairman or any member nominated under clause (f) of sub-section (1) of section 3 may resign his office by writing under his own hand addressed to the Central Government and such resignation shall be effective from the date on which it is accepted by the Central Government or on the expiry of a period of one month from the date of its receipt by the Central Government, whichever is earlier.

(5) A member nominated or appointed shall cease to be such member if he dies, resigns, becomes of unsound mind, is adjudicated as an insolvent or is convicted of a criminal offence involving moral turpitude.

4. Casual vacancies.—Any casual vacancy in the office of the Chairman or of any member nominated under clause (f) of sub-section (1) of section 3 shall be filled by the Central Government and the Chairman or the member, as the case may be, appointed or nominated to fill that vacancy shall hold office for so long only as the Chairman or the member whose place he fills would have been entitled to hold office if the vacancy had not occurred.

5. Functions of the Council.—Besides the functions entrusted to the Council by the Act, the Council shall—

- (i) receive and deal with reports and recommendations of specialist committees;
- (ii) control its finances;
- (iii) deal with such other matters as may be necessary for the administration of its affairs;
- (iv) do all such other lawful acts as would be conducive for the purpose of discharging its functions under the Act.

6. Creation of posts and appointment of officers.—For the purpose of discharging its functions under the Act, the Council may create such number of posts, the maximum pay of which does not exceed Rs. 1,800 per mensem, as it considers necessary and appoint officers and other employees to such posts.

7. Authentication of orders and other instruments of the Council.—All orders and decisions of, and all other instruments made by, the Council shall be authenticated by the signature of such officer or officers as may be authorised by the Council in this behalf.

8. Proceedings of the Council.—(1) The Council shall meet at least once in every four months and all meetings of the Council shall be convened by the Chairman and called by notice issued under the signature of the Secretary of the Council.

(2) Every notice calling a meeting of the Council shall state the date, time and place at which such meeting will be held and shall be issued to every member not less than 15 days before the day appointed for the meeting.

(3) The Chairman shall preside at all meetings of the Council and if at any meeting the Chairman is absent, the members present at the meeting shall elect one from among themselves to be the Chairman of that meeting.

(4) Five members shall form the quorum, provided that if any meeting is adjourned for want of quorum, the subsequent meeting called on the basis of the same agenda may be held, whether a quorum is present or not.

(5) Each member including the Chairmen shall have one vote, but if there shall be an equality of votes on any question to be decided by the Council, the Chairman shall in addition, have a casting vote.

9. Travelling and daily allowances.—(1) The Council members and the Committee members [including those co-opted under sub-section (2) of section 5] being employees of the Central Government or any State Government or any quasi-Governmental institution, corporate body or Government undertaking, shall not be eligible to draw any travelling or daily allowance from the funds of the Council but may do so from the source from which their salaries are drawn.

(2) All other Council members and the Committee members [including those co-opted under sub-section (2) of section 5] shall be entitled to draw their travelling and daily allowances from the fund of the Council.

(3) The rules governing the payment of travelling and daily allowances to non-official members of any committee constituted by the Central Government shall apply to the payment of travelling and daily allowances to those Council members and the committee members [including those co-opted under sub-section (2) of section 5] who are entitled to draw such allowances from the fund of the Council.

10. Specialist Committees.—(1) The Council may constitute a specialist committee under sub-section (3) of section 5 for any commodity.

(2) The specialist committee may consist wholly of Council members or wholly of other persons or partly of Council members and partly of other persons, as the Council thinks fit.

(3) Where a specialist committee consists of persons other than Council members, the Council shall, as far as possible, give representation to all or any of the following, namely:—

- (i) scientific and technical institutions;
- (ii) State Governments;
- (iii) concerned industries; and
- (iv) persons having intimate knowledge about quality control or inspection.

(4) The Council may nominate a member of the specialist committee as the Chairman of the specialist committee.

(5) The procedure at meetings of a specialist committee shall be such as may be determined by the committee.

(6) A specialist committee may co-opt additional members, who, by virtue of specific attainment, knowledge or interest, in the opinion of the Committee will be able to assist the Committee in the discharge of its functions.

(7) A specialist committee may appoint as many sub-committees, panels or working groups as it thinks necessary for the expeditious disposal of its work.

(8) Every specialist committee shall examine all technical matters referred to it by the Council relating to the commodity which should be subjected to compulsory quality control or inspection or both prior to export (including the establishment, adoption or recognition of standards for that commodity) and make necessary recommendations to the Council.

(9) Every specialist committee shall also examine and make recommendations to the Council on the question of recognition and establishment of agencies and approval of testing houses, surveyors or samplers.

11. Procedure for quality control and inspection.—(1) Whenever, for the development of the export trade of India, the Central Government thinks that any commodity may be subjected to quality control or inspection or both prior to export, it shall formulate its proposals and forward the same to the Council for the views of the Council.

(2) After the receipt of the proposals under sub-rule (1), the Council shall, having regard to the volume and trend of export of such commodity, the scope for expansion of its export, the extent of competition from other countries, the need for enforcing quality control or inspection or both for increasing the sale of such commodity outside India and such other allied matters, consider the proposals either at a periodical meeting or at any special meeting convened for the purpose.

(3) At any such meeting, the Council shall formulate its recommendations regarding the type of quality control or inspection or both and standard specifications with respect to the commodity and the mark or seal (together with its design, in cases it is necessary) to indicate that the commodity conforms to the standard specifications applicable to it or may require a specialist committee constituted for the purpose to make recommendations to it in such matters.

(4) Where a specialist committee has been required to make recommendations under sub-rule (3), it shall, having regard to the matters specified in sub-rule (2), make its recommendations to the Council as expeditiously as possible.

(5) The recommendations of the Council or, in a case where the recommendations have been made by a specialist committee, such recommendations, subject

to any modification made by the Council, shall be forwarded by the Council to the Central Government.

(6) The Central Government shall, after considering the recommendations forwarded by the Council publish its proposals in the Official Gazette inviting objections and suggestions from the public within a period of one month of such publication.

(7) After the expiry of the period of one month, the Central Government shall consider the objections and suggestions received from the public and after consulting the Council wherever necessary, issue the necessary notification under section 6 or section 8.

12. Agency for quality control or inspection or both.—(1) Any authority or organisation desiring itself to be recognised as an agency under sub-section (1) of section 7 may apply to the Central Government furnishing particulars of its constitution and the resources at its disposal for carrying out the functions of an agency specified in the Act together with an undertaking that it shall comply with the provisions of the Act and these rules or of any order, direction or instruction which may, from time to time, be made, issued or given by the Central Government.

(2) On receipt of an application from any such authority or organisation, the Central Government, if it is satisfied after making necessary enquiries that the authority or organisation is fit to act as an agency, may, by notification in the Official Gazette, recognise such authority or organisation as an agency for the purpose of sub-section (1) of section 7, subject to such conditions, if any, as may be specified in the notification.

13. Approval of testing houses, surveyors and samplers.—(1) For the purpose of obtaining approval of the Central Government under sub-section (2) of section 7, the officer incharge of the testing house or the surveyor or sampler shall submit an application to the Director in Form I, containing a detailed statement of particulars of the equipments and facilities available in the testing house or of the scheme of inspection or test which the surveyor or sampler follows for conducting physical and chemical tests, previous experience, the staff working in the testing unit and a general outlay of the premises in which the testing and sampling is proposed to be conducted.

(2) After the receipt of the application, the Director may direct the applicant to furnish any supplementary information or documentary evidence in support of any statement made by him in the application, within such time as may be specified in the direction and where the applicant fails to comply with such direction, his application shall be liable to be rejected.

(3) The Director shall place the application together with the particulars and other information furnished by the applicant before the Council which shall, after making such enquiries as it deems fit in the matter, make recommendations to the Central Government as to whether approval may be given or not.

(4) While making the recommendations, the Council shall also specify the amount of cash security or the nature of surety that the applicant shall furnish before approval is given.

(5) After considering the recommendations of the Council, the Central Government may accord approval to the testing house, surveyor or sampler, as the case may be and where such approval is accorded, the Central Government shall require the officer incharge of the testing house of the surveyor or the sampler to execute a bond with such cash security or surety as is necessary for the purpose in the prescribed form.

(6) After the applicant has executed the required bond, the Central Government shall issue the notification under sub-section (2) of section 7 and also issue a certificate in Form II to the applicant which shall be valid for such period not exceeding one year as may be specified therein.

(7) The Central Government may, on an application made in this behalf, at least one month before the expiry of the period for which a certificate has been granted, renew the same for a period not exceeding three years at a time.

(8) Every person incharge of a testing house and every surveyor and every sampler approved under this rule shall submit to the Directorate a half-yearly statement containing the following particulars, namely:—

(i) number of applications received for testing or sampling or surveying;

- (ii) number of applications attended to;
- (iii) number of cases where certificate of quality has been issued;
- (iv) quality and value of goods dealt with;
- (v) number of cases where certificate of quality has been refused.

14. Fund of the Council and deposit of such fund.—(1) The fund of the Council shall consist of the following, namely:—

- (i) such sums of money as may be paid by the Central Government to the Council by way of grants, loans or otherwise;
- (ii) grants or donations from bodies and institutions approved by the Central Government;
- (iii) income and receipts of the Council from other sources.

(2) All moneys belonging to the fund of the Council shall be deposited in such scheduled banks as may be specified by the Central Government and the Council may authorise any of its officers to operate upon its bank account.

15. Preparation of budget estimates, etc.—The procedure relating to preparation and submission of budget estimates, sanction of expenditure, making investments and such other matters shall be such as may be determined by the Council with the approval of the Central Government.

FORM I

Application for recognition as Testing House/Surveyor/Sampler

[See rule 13(1)]

PART I

To

The Director of Inspection & Quality Control,
Ministry of Commerce,
Government of India,
New Delhi.

Sir,

I/We, the firm known under the name and style.....

.....
.....
..... desire to be

recognised as approved Testing House/Surveyors/Sampler for the pre-shipment inspection of the following commodities and furnish the detailed particulars in Part II of the application.

2. I/We hereby declare that I/We shall when called upon to do so, execute a bond in proper form with such security as may be required binding myself/ourselves to faithfully carry out the duties prescribed under the Act or the Rules or by any order issued by the Director on behalf of the Central Government.

3. I/We hereby enclose a crossed bank draft of Rs. as fee. (The fee is not refundable whether the applicant is given recognition or not).

4. I/We agree to undertake the work of testing, survey or sampling at the rates prescribed by the Central Government.

5. I/We have read the rules regarding the pre-shipment inspection, testing, survey and sampling and undertake to abide by them.

Yours faithfully,

Signature and Seal or
Stamp of the applicant.

PART II

Names of the constituents of the firm with their position and extent of interest

Names

Position and extent of interests

2. Places where branch offices and laboratories are situated.
3. Detailed account of each laboratory—
 - (a) Names and description of instruments etc. available.
 - (b) Other equipments available.
 - (c) Names and qualifications of the technical staff working in these laboratories.
4. Previous experience in the field if any.
5. Names of 10 exporters or foreign importers, on whose behalf the inspections, surveying and sampling etc. was done.
6. Names of the Commodity and the total quantity surveyed/inspected/sampled.
7. Whether any of these survey reports were rejected by the buyer? If so, the details may be given.
8. How long employed in the business of Inspection/surveying/sampling.
9. *Referees if any:* (Here mention the names of 3 respectable export houses and 3 foreign import houses whom you like to mention as referees for reputation of business).
10. Names of the bankers to whom references can be made about the financial position of the applicant.

Signature and Seal or
Stamp of the applicant.

CERTIFICATE NO.

FORM NO. II

[Sec rule 13 (6)]

GOVERNMENT OF INDIA.

MINISTRY OF COMMERCE

Certificate of approval of testing house/surveyor and sampler

In terms of Section 7(2) of the Export (Quality Control and Inspection) Act, 1963 the Testing House/Surveyor/Sampler whose particulars are given below having complied with prescribed procedure is/are approved by the Central Government for testing and/surveying and sampling, commodities set out in Schedule I that are intended for export.

Name:

Address:

.....

Location of Laboratory/Testing House:

.....

II. This approval enables its holder to carry out examination of commodities and to issue certificate of examination in the matter provided in the Export

(Quality Control and Inspection) Act, 1963 and Rules and Orders issued thereunder and further to charge such fee, as is notified by the Central Government, from the owner whose goods are examined.

III. This approval shall be valid from.....to.....and may be renewed as prescribed in the Export (Quality Control and Inspection) Rules, 1964.

Director of Inspection and Quality Control
for and on behalf of the Government of India.

NEW DELHI;

Date: _____

[No. 40(4)Exp.Insp./63.]

D. S. JOSHI, Secy.

